

ASSEMBLY BILL

No. 1674

Introduced by Assembly Members Richman and Nation

February 22, 2005

An act to add Section 1342.2 to the Health and Safety Code, relating to managed health care.

LEGISLATIVE COUNSEL'S DIGEST

AB 1674, as introduced, Richman. Center for Quality Medicine.

Existing law provides for licensing and regulation of health care service plans by the Department of Managed Health Care.

This bill would require the department to contract with an academic institution or public policy research institution for the establishment of a Center for Quality Medicine, to conduct periodic research on various issues related to medical treatment data. The center would be funded by an annual appropriation of \$25 million in the Budget Act from revenues derived from the insurer gross premiums tax.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. This act shall be known, and may be cited as,
- 2 the Center for Quality Medicine Act.
- 3 SEC. 2. Section 1342.2 is added to the Health and Safety
- 4 Code, to read:
- 5 1342.2. (a) The department shall contract with an academic
- 6 institution or public policy research institution for the
- 7 establishment of a Center for Quality Medicine.

1 (b) The Center for Quality Medicine shall have a board of
2 directors to oversee the center and advance the mission of the
3 center.

4 (c) The Center for Quality Medicine shall conduct periodic
5 research regarding medical treatment data. The research shall
6 include, but need not be limited to, recommendations for benefit
7 design, evaluation of cost effectiveness for new technologies and
8 pharmaceuticals, quality measurements by providers and health
9 plans, and the standardization of quality reporting. The center
10 shall widely disseminate its findings, including a database of
11 quality measurements.

12 (d) The department shall utilize the Center for Quality
13 Medicine's findings in regulating health care service plans and
14 health care providers.

15 (e) Funding for the Center for Quality Medicine shall be
16 provided through the Budget Act in the amount of twenty-five
17 million dollars (\$25,000,000) annually, through an appropriation
18 of revenues derived from the gross premiums taxes received by
19 the state pursuant to Section 28 of Article XIII of the California
20 Constitution.